

CRANBERRIES

# Cranberry growers get bad news

## Quotas won't be enough to prevent bankruptcies

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The Patriot Ledger

**CARVER** — Federal restrictions to stabilize plummeting cranberry prices would not save many growers from going bankrupt, local growers were told last night.

The only solution to the industry crisis is intense promotion to increase demand, said David Farrimond, head of the federally appointed Cranberry Marketing Committee.

Proposed federal restrictions on the cranberry market may only slow down the rate of grower bankruptcy, he said.

"It all depends on how deep your pockets are," Farrimond told more than 150 growers at Carver High School last night.

Increased acreage, larger yields and several consecutive strong crops, coupled with decreased demand, have thrown the industry into fiscal turmoil. A flood of cranberries on the market has caused prices to fall dramatically from \$80 per barrel a year ago to less than \$30 this year.

The industry is facing a potential surplus of 5 million barrels this year. The Cranberry Marketing Committee must decide whether to recommend imposing a federal order to restrict the

number of berries on the market.

The government probably would limit the surplus in one of two ways.

Under a "withholding program," the marketing committee would establish a percentage of free-market and restricted-market berries. Handlers could sell the free-market berries on the open market but would have to set aside the restricted berries.

The marketing committee would then either destroy the restricted fruit or dispose of it in a non-competitive market, such as donating it to charitable organizations or for use as animal fodder.

A "producer allotment program" would limit the number of barrels each grower is allowed to deliver to its handler. The marketing committee would establish a quota for growers based on their average individual sales histories during the past four to six years.

Because of the size of the surplus, growers last night said federal restrictions would hardly budge prices and eventually would sink struggling growers. One grower asked if real estate taxes would be prorated since

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growers may have to let some of their land lie fallow to comply with the marketing order.

Others complained that U.S. growers would have to dispose of berries while Canadian growers would be able to sell berries here without restriction.

"It's a dilemma," said John Decas, chief executive officer of Decas Cranberries. "We will be dumping in part because of Canadian fruit coming into this country. The more we dump, the more they're going to plant."

"It may not be fair, but there's got to be something done," Farrimond said. "Everything is not going to be equal. It doesn't work that way."

The Cranberry Marketing Committee is scheduled to decide Feb. 28 at a meeting in Washington, D.C., whether to recommend federal regulation of the market to the secretary of agriculture, who will make the final decision 60 to 90 days after the recommendation.

The marketing committee includes four Ocean Spray affiliates, three representatives from independent cranberry companies, and one person with no financial interest in the cranberry industry.